

REMARKS

Claims 1, 3-19, 21-22, 30, 32-42 and 45-50 are pending in this application. By this Amendment, claims 1, 21, 30, 42 and 49 are amended and claim 20 is canceled without prejudice or disclaimer. Various amendments are made for clarity and are unrelated to issues of patentability.

Entry of the amendments is proper under 37 C.F.R. §1.116 because the amendments: (1) place the application in condition for allowance; (2) do not raise any new issues requiring further search and/or consideration; and/or (3) place the application in better form for appeal, should an appeal be necessary. Entry is thus proper under 37 C.F.R. §1.116.

Applicant gratefully acknowledges the Office Action's indication that claims 3-6, 8-17, 20-21 and 48 contain allowable subject matter. For example, allowable dependent claim 20 relates to the buffer finding the target bit number in one picture of the video stream. By this Amendment, features of allowable dependent claim 20 are incorporated into each of independent claims 1, 30, 42 and 49. No new issues are raised as each of independent claims 1, 30, 42 and 49 are sufficiently related. U.S. Patent 5,541,892 to Eyuboglu et al., U.S. Patent 5,253,041 to Wine et al., U.S. Patent 6,898,243 to Alvarez, U.S. Patent 6,621,866 to Florencio et al., U.S. Patent 6,058,143 to Golin, and Applicant's admitted prior art do not teach or suggest all the feature of independent claims 1, 30, 42 and 49.

Accordingly, each of independent claims 1, 30, 42 and 49 defines patentable subject matter. Each of the dependent claims depends from one of the independent claims and

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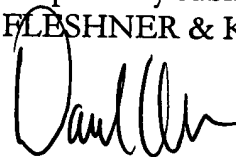
therefore defines patentable subject matter at least for this reason. In addition, the dependent claims recite features that further and independently distinguish over the applied references.

CONCLUSION

In view of the foregoing, it is respectfully submitted that the application is in condition for allowance. Favorable consideration and prompt allowance of claims 1, 3-19, 21-22, 30, 32-42 and 45-50 are earnestly solicited. If the Examiner believes that any additional changes would place the application in better condition for allowance, the Examiner is invited to contact the undersigned attorney at the telephone number listed below.

To the extent necessary, a petition for an extension of time under 37 C.F.R. 1.136 is hereby made. Please charge any shortage in fees due in connection with the filing of this, concurrent and future replies, including extension of time fees, to Deposit Account 16-0607 and please credit any excess fees to such deposit account.

Respectfully submitted,
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